

26 February 1974

MEMORANDUM FOR THE RECORD

SUBJECT: James A. Everett

1. Everett met with the IG and the undersigned for over an hour and a half yesterday afternoon. He was separated from the Agency, as a Staff Agent, in June 1973, and now seeks a review of that action.
2. Everett stated that he served for fourteen years with the Agency, starting with CT training in 1959. He joined the Agency after 8-1/2 years in the ministry, and was "clean" for purposes of deep cover. He served always under cover, and the meeting with us was the first time he ever had been in the Headquarters Building. He had spent four years in Norway, and spoke the language, which he felt made him a natural for his original choice of "deep cover," which he now thinks may have been wrong.
3. Everett states that he was with the Agency in Sweden for 7 years - 1960-67 - first under cover with an export-import firm based in New York. The last three to three and a half years were with Robert R. Mullen & Co. He says he <sup>was</sup> ~~was~~ the number two man in LPGLOBE, which he understands has since been incorporated into CCS. He retained his cover in Mullen (which was two blocks away from the LPGLOBE offices), being responsible for the Africa area. Then he went to the Netherlands for four years; he doubted the viability of that assignment, yet there were four people there without enough to do.
4. Two things happened. First there was the Western Hemisphere flap, related to the Agee case. He had been a CT classmate of Agee's, although they were in different parts of the divided class. He knew Agee, having a casual but familiar association with him during training. He says Agee has a phenomenal memory. He has not seen Agee since training. He says that Agee was Kindschi's case officer in Mexico City, when Kindschi was under Mullen cover, and that Agee listed Kindschi in a book Agee has written, reporting

Per Jean S. - original in Everett's  
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Kindschi's earlier service in Stockholm under cover (with Everett, where Kindschi and Everett were "the Bobbsy twins"). Everett was not mentioned in Agee's book, but it raised a further question about his exposure to Agee.

5. Everett returned to Washington 17 June 1972--he noted the irony of the date, being the one of the Watergate arrests. He met Howard Hunt (for the first time) on 19 June at the Mullen office, at which Hunt met him like a long-lost brother, based on his own earlier CIA employment. Now they were both vice presidents of the same company. The window of the office was across the street from that of the office of headquarters of the Committee to Re-elect the President. Everett commented that they must be uneasy "over there," and commented on the stupidity of what had been done in view of the overwhelming strength of the President. He could see something like that happening in 1937 (sic), when there was the issue of peace. Hunt did not comment, but in about a half hour there was a phone call indicating that the police had a lead. Hunt exclaimed, "My God, no!" and left. They met on the street shortly thereafter, but Hunt didn't even see him he was so preoccupied. He returned to the office and left again and Everett never saw him again. Everett observed that his association with Hunt, although clean, was another weakness in his cover. His cover, "which had been strong was now gone." Now deep cover was over, for him, and the question became what to do.

6. At this point Everett gave his personal view that an intelligence organization has special responsibilities towards its employees. "If it doesn't react with integrity towards its employees--that will be the death of it."

7. Everett then said that Dr. Schlesinger "was here <sup>then</sup>" Describing it as a shattering experience for the Agency, he saw it as affecting the Agency's ability to adjust to its responsibilities. He (Everett) had looked for another line of work in the Agency, and finally found a place in DO Division (although it has become FR Division, and may have done so by then). The job was in Chicago, and he talked twice to the Chief of Station, as he termed him, whose name he cannot now recall, meeting in a safehouse in Washington. Both felt they had "made a good marriage." Both knew foreigners, and Everett was the sort who could develop acquaintances from students through professors. Operations would be conducted in alias and disguise.

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and there was practically no chance of a tie-in to the past. Everett says he did not have a "signature on paper," but he considered it practically agreed; the proviso being approval of the Division Chief, "or someone above him." He only had to come in on a Monday, after which he would go to Chicago to look for housing. No one kept the Monday appointment at the safehouse. Again, on Tuesday, no one showed up. He became worried about the "off again, on again" nature of this. On Friday another appointment was made, but instead of someone from the Division showing up, it was Jack Kindschi and Charlie Beckman from CCS, the latter saying it was his responsibility to tell him that he had been declared surplus. Beckman described alternatives that Beckman characterized as being "very generous," along with a "number of horror stories to keep me feeling a little more comfortable." There were three limitations on a settlement: (1) Everett could not use his former Agency employment as a reference, (2) he could not use his former Mullen association as a reference, and (3) he could not seek employment on the East coast. He would be paid a year's salary, with taxes deductible. Everett said he could not accept the offer. He was an executive who would have to seek employment with no record of what he had done for the past fourteen years. Beckman was quoted as saying it is "the best anybody's been offered."

8. Everett talked with Mullen, who he said was shocked. Mullen had helped Bissell, and had done more for the Agency than many in it, and could not understand this approach. Beckman (apparently) off-set this reaction with statements of the Agency's authority to hire and fire, and told him of the lack of success of eleven who had taken the issue to court.

9. Everett wanted a lump sum payment, unaccountable, and in a few days. 15 July was the deadline. "They" returned on 15 July and said OK, but on 30 July they said the payment would have to be taxed. This meant an extra \$5,000 out of his pocket. Everett then cited some \$18-19,000 for his salary, plus some \$10,800 from his retirement and accumulated leave. He did not complete summarizing all the details. He said they tried their best to go back and re-calculate the past five years to help on the tax, and the Agency is responsible for doing the tax "this year and until the taxes level off."

10. Everett said he had talked with Pete Wheeler at the time who was incensed, and who said "we'll get you something," and "as

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long as I am in this Agency you will have a job." This was in June-July 1973, and Wheeler "fought it up to and including Schlesinger." Everett said his record was superior--he had never been in a flap, although he had taken over people's flaps, he had never had a money problem, he had never raped a secretary, while others who had problems stayed on. Wheeler argued that if acid had been thrown in his face he would have been retired on medical disability, and that now he suffered a security disability which, for our Agency, was just as much a disability, and he should be retired with an annuity. Wheeler quoted Schlesinger to Everett as dismissing it out of hand, and Colby as not wanting to touch it. Wheeler said he had no where else to go, and it was final. Everett then went to Mullen.

11. Mullen then undertook to take on the responsibility, although it was not his. He said there would be nothing for 1973, but that then he could expect \$25,000 a year, followed by \$35,000. Unfortunately Watergate hasnot gone away--it has been hammer, hammer, hammer. Innocent people have been hurt, and Mullen has lost business because of it. The largest account has been lost, for Rehabilitation of the Handicapped at \$98,000 a year. He also named General Foods to the tune of \$50-60,000 a year, the Mormon Church and International Rotary Club. Mullen sold out to Robert Bennett, to be paid \$150,000, but in view of what has happened to the company he has waived the payment. Everett still wants to stay with Bennett, but Bennett is looking around, for a way to get out, which would mean the company is through.

12. Everett spoke of his status, in which his family, the Dutch, his church, etc., have not known his association with CIA. The publicity of the Mullen Amsterdam office can mean only him; as he was the Amsterdam office. With the Mullen Company he brought in a \$30,000 account--\$25,000 this year--but now it seems to be under some hold. If he loses the account because of publicity who is to pay?

13. Bennett feels obligated to his clients, and is responsible for his employees. He has arranged for his two New York secretaries, and now has Everett and two secretaries in Washington. Bennett has been offered one of the vice presidencies of UTHRA (phonetic), the body under the U.S. Rail Act, with Senator Baker behind him. The decision must be made in a week. There has been talk of a GS-15 for Everett in the Department of Transportation, with support through the Bennetts(including Senator Bennett). But Watergate publicity will

kill this. He can't go to Dan Shorr as a Mullen representative, because he is tarred with CIA.

14. In his talks with "a good friend on the Hill," he was asked, about his separation from CIA, about what the IG said about it. He said he never knew, as he never talked to him. Then he called Pete Wheeler who recommended that he see the IG.

15. Dr. Chamberlain said that judgments are not easy to challenge, but that we could look at the procedures followed. We would have to inquire into how the matter was handled.

16. Everett said that his appeal was essentially for one of two alternative things: (1) a return to the Agency, deep cover is out, but possibly something like the IG, but no make-work job. He might be given an overseas post in an embassy under official cover; or (2) he feels he has earned 14/20 of retirement, under the security disability argument of Pete Wheeler's. He then added what amounts to a third alternative, that he get the Agency's help with employment elsewhere in the government; at a one-or-two step increase and not as a GS-13.

17. Names of those who can speak on his problem: Pete Wheeler, Jack Kindschi, Charlie Beckman, a Ralph (last name not recalled at the moment). Others involved with him in the past: Ed Marelius, COS Stockholm when he had troubles there, and Glenn Curtis or Curtis Glenn, the DCOS. Around 1967 there were five in Stockholm Station. The COS had been there 1964-67, and his deputy had been PNGd. The new D/COS came out a week or so before Everett left, and Everett (representing the other case officers) wrote him a memorandum about the COS's mistress. She needed money and her apartment was made a safehouse (where she entertained other boy friends); her brother, a homosexual, had the adjoining apartment next door. She was foisted off on the Muller cover company as a secretary or translator, neither of which was she qualified for. The new D/COS wrote Everett's Fitness Report, although he had been in a supervisory position only a week or so, and had met him only once, saying that Everett's eight years of church background was such that he could not be at ease with the foibles of mankind. Everett says he made "vigorous objections" through George Kephart of LPGLOED, and he understands that the Fitness Report was amended and the COS was reprimanded.

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18. The relevance of this was that when he, Everett, was preparing to enter into the Chicago arrangement, the man who had been DCOS in Stockholm was the Deputy Division Chief in DO Division (now FRD). Jack Kindschi told Everett that this man is the one who was responsible for the adverse turn of events.

19. Everett spoke of the fact that Art Hochberg was under Mullen cover in Singapore. He understands that Hochberg was withdrawn for his safety, relating a story he had from Marty Lukoskie that Hochberg was told to go to Bangkok and phone for instructions, which led to his moving to Manila.

20. Everett pressed for alacrity in our review of his case. We said we could <sup>not</sup> get the affair rounded up before about two weeks. We got his home and office telephone numbers.

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